

King County Quarterly Economic Measures

Fourth Quarter, 1998

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King County Quarterly Economic Measures

Fourth Quarter, 1998

Executive Summary

I. NATIONAL

Economic Measures/Interest Rates/AA Bond Rates

National economic growth was quite robust in the fourth quarter. Real gross domestic product (GDP) increased at a 5.6% annual rate, the fastest quarterly growth rate of the year, up from the third quarter revised annualized gain of 3.7%. For the most recent twelve months, GDP grew 4.1%, down somewhat from the 4.9% pace during the year ending fourth quarter 1997. Annual real GDP growth has ranged between 1.6% and 5.3% over the past five years.

The Federal Reserve Board acted to ease monetary policy twice in the fourth quarter, lowering the discount rate (the interest rate charged by the Fed on loans to depository institutions) from 5% to 4.5%. The prime rate dropped to 7.75% during the fourth quarter, a four-year low. Inflation continues to remain dormant. The implicit price deflator increased at a scant 0.8% annual rate and rose only slightly in the twelve months ending fourth quarter 1998 (0.9%). The fourth quarter Consumer Price Index (CPI) was up by an annualized rate of only 1.5%. Between the fourth quarter of 1997 and the fourth quarter of 1998, the CPI increased by 1.6%.

Interest rates for treasury bills and bonds dropped across the board during the fourth quarter. One-year treasury bills dropped 13.2% while 3-year treasury bonds dropped 13.7%. Thirty-year home mortgage rates in Washington State reached their lowest point in years (6.81%). National home mortgage rates for new homes during the fourth quarter averaged slightly higher (6.84%).

Industrial/Manufacturing Measures

Producer investment in durables was up nearly 10% in the fourth quarter after experiencing substantial increases during the first half of the year. Preliminary reports indicate that non-farm inventories were up \$41.7 billion during fourth quarter 1998, down slightly from a revised \$47 billion increase the previous quarter. The fourth quarter has seen two consecutive months of inventory decline, largely in transportation equipment and industrial machinery. Potentially conflicting indicators, such as the low cost of capital, consumer uncertainty, and fear of shrinking foreign markets for domestic goods have been likely contributors to large fluctuations in inventory investment.

Other indicators showed mixed results. Industrial production increased by 3.4% in the fourth quarter (an annualized rate of over 14%) after not changing in the third quarter. The increase is partly due to the end of strikes that limited the output of motor vehicles and parts during the second and third quarters. Capacity utilization rates fell again in the fourth quarter for total

industry (81.0%), but increased a fraction for manufacturing industries (80.1%). Overall, this indicator continues a downward trend, with the result that it is further under 85%, a level that many economists consider a sign that the economy is overheating and rising inflation is imminent. Worker productivity was up 4% during the fourth quarter, offsetting increases in the hourly costs of labor. Among economists, the general feeling, however, is that manufacturing production has temporarily peaked with inventories more than near term consumer demand.

Income Measures

National per capita disposable income increased at a 3.3% annual rate during the fourth quarter. For the twelve-month period ending in the fourth quarter 1998, personal income rose 1.4% as well, the lowest twelve-month gain since the period ending December 1996 (1.1%).

II. KING COUNTY

Economic Activity

The West CPI-U rose at a 2.5% annual rate in the fourth quarter and 1.8% during the twelve months ending 4Q/98. This was somewhat higher than the 1.6% rise in the previous twelve months. Bankruptcy filings fell from fourth quarter 1997 in both King County (12.7%) and the Central Puget Sound region (8.6%). Bankruptcy filings have been falling steadily over the past two years after rising dramatically in 1995 and 1996.

King County taxable retail sales during the third quarter 1998 rose 10.4% over the third quarter 1997. (Third quarter 1998 is the most recent quarter for which data is available.) At the national level retail sales decreased by 0.4% over third quarter 1997.

Manufacturing retail sales rose a strong 6.3%. Contracting sales rose sharply (29.2%), with \$308 million more in sales during third quarter 1998 than third quarter 1997. Retail trade taxable sales rose 7.4%; notable retail sales changes took place in lumber (16%), marine and aircraft sales which increased by \$10 million (18%), auto sales (9.7% or \$57 million), furniture (up 17%). Services growth was notably (up 11%), as business services (up 21%) increased by \$76 million.

Seattle taxable retail sales increased somewhat, up 10.6% in third quarter 1998 over third quarter 1997. Contracting sales again rose sharply (30%) manufacturing increased (7.9%). Services rose considerably (13%), while sales of business services increased by over 23% led by a 66% increase in computer services sales. Retail trade rose (up 6%), with noticeable gains in nurseries and gardens (up 14%), marine and airplane sales (up 16%), furniture (21,8%), lumber and building materials (22%).

Employment

King County unemployment stayed relatively low in the fourth quarter. King County fourth quarter unemployment increased slightly to 3.0%, last quarter's rate of 2.8% was the lowest unemployment rate this decade. Unemployment remained unchanged in the Central Puget Sound region, from at 3.4%. The region's unemployment rate was considerably lower than the national rate (4.5% seasonally adjusted).

Regional employment growth continued to be strong. In the central Puget Sound region, employment rose 3.0% over fourth quarter 1997. During this quarter, however, durable manufacturing employment rose at a smaller rate, gaining for the eleventh straight quarter after falling five consecutive previous quarters. Regional construction employment increased by 6.8% over fourth quarter 1997. Regional services employment increased by 3.5% over a year ago, with a nearly 7% job growth in business services and computer and data processing services industries. A majority of the regional business services job growth (up 15% over 4Q 1997) occurred in King County, leading a 6.6% increase in service industry employment within the county over the past twelve months. King County construction employment also increased at a greater annual rate (5.4%) than total county employment for all industries (3.2%).

While manufacturing growth occurred at the same rate (0.3%) both within King County and the region, these areas experienced different growth patterns within the manufacturing sector. Even with Boeing layoffs, durable goods manufacturing employment in King County increased at a greater rate (0.9%) than the region as a whole (0.2%). While direct employment at Boeing declined, the airplane manufacturer's full production schedule contributed to high job growth in King County primary metals manufacturing (13.5%) and electronic equipment manufacturing (18.3%). King County non-durable equipment employment declined 14%, primarily due to a decline in textile manufacturing, as the region experienced modest gains (0.4%). Trends over the last few years indicate that this is consistent with a general decentralization of non-durable manufacturing away from the higher rent urbanized areas, including Seattle. Service industries, and business and producer services in particular, continue to concentrate in the urban office cores of Seattle and Bellevue and along the high tech corridor in north King County.

Nationally, employment was 2.3% higher in the twelve months ending fourth quarter 1998, a net increase of 2.9 million jobs.

Construction

The single-family housing market remained strong, with housing prices continuing to rise and houses selling quickly. Total home sales in King County were up 4.2% from the fourth quarter of 1997, while total U. S. homes sold during this period increased by over 16 percent. New home sales in King County during fourth quarter 1998 were 24% higher than for the third quarter of 1997, nationally new home sales were up over 18 percent. Median prices for all King County homes sold increased a substantial 11.4% over fourth quarter 1997. This sales price increase compares with a national and western states regional median home sales price increase of just under 3%, during the same period. The average time a house in King County remained on the market continued to be quite low (37 days). This figure is up slightly since last quarter but in keeping with the previous five quarters, which averaged between 34 and 42 days.

Other construction activity was also up over a year ago. The total value of Seattle permits for non-residential construction was a substantial, 58% higher than fourth quarter 1997. Seattle residential construction permit values increased during the fourth quarter to \$120.9 million, up only slightly from the third quarter but up 72% over fourth quarter 1997. This included permits for 1,032 new residential units.

Office Market

The Downtown Seattle market remained strong despite tightening credit, as the vacancy rate decreased to 3.8%. The market for Class A space tightened slightly (3.4% vacancy), while the Class B market tightened again (5.8% vacancy) for the fourth consecutive quarter. Absorption, the net change in the amount of leased space, was sizable (over 600,000 square feet). Major contributors to the positive absorption were the preleasing of 150,000 sq. ft. in the Seattle Trade and Technology Center, Washington Mutual's conversion of the Newmark tower, and a lease of a second building at the World Trade Center by Visio. Median Class A lease rates remained steady at just over \$27 per square foot, with some top floor space going for as much as \$40 per square foot. Office space still remains in short supply, but fear of an economic slowdown and uncertainty in real estate capital markets made completion of several large development projects in the City and the Eastside questionable. Even so, CB Commercial reports there is nearly 2.4 million square feet of office space under construction in the downtown market, with 3.9 million square feet planned.

Demand in Bellevue/Eastside increased substantially from the previous quarter, with positive absorption of over 700,000 square feet. Bellevue, Redmond, Issaquah, and Bothell all added new office space during this quarter. Space tightened again to 1.7% after relaxing slightly for the first time in a year during the third quarter. Class A space vacancies increased slightly (1.9%), with median rates increasing (\$26 per square foot). The Eastside market remains very strong, with over 2.5 million square feet of office space under construction and an enormous 10 million square feet of planned office construction.

North King County vacancy rates dropped to 1.1% with absorption totaling over 20,000 square feet. South King County vacancy rates decreased a percentage point to 6.8%, from the previous quarter. Fairly tight markets in these areas will continue to pressure the Downtown Seattle and Bellevue/Eastside markets.

Industrial Market

Overall the King County industrial market witnessed considerable activity in the fourth quarter, while vacancy rates remained fairly stable. Developers are currently working to complete nearly 3.5 million square feet of industrial space region-wide. Boeing, however, has announced intentions of selling and eventually vacating over 1 million sq. ft. of industrial and office space in the Kent Valley. Vacancy rates declined again in Seattle Close-In (to 1.6%), although Seattle high tech vacancy rates remained unchanged (3.6%). Absorption increased to just over 300,000 square feet. Kent Valley vacancy rates were unchanged at 5.7%, as only 50,000 square feet of additional industrial and distribution space was leased. Last quarter this market witnessed the absorption of over 850,000 square feet. This represents more industrial space absorption during the third quarter 1998 than occurred during all of 1997. The Eastside market saw a second quarter absorption of 288,000 square feet. Eastside industrial vacancy rates dropped slightly (3.7%) and high-tech rates tightened considerably from 5.2% to 2.5%.

Although it is expected that the industrial market will remain strong in King County, there is growing concern over a general economic slowdown that will particularly impact exports to Asia and other markets abroad. Boeing has already begun a first round of layoffs. Most of the

current and planned construction is taking place outside of Seattle. Kent Valley remains busy, with 1.8 million square feet under construction, and over 1.8 million square feet planned. The Eastside market is also strong, with nearly 650,00 square feet under construction and over 1.5 million square feet planned.

Retail Market

A continued influx of new population and a strong holiday season resulted in a healthy retail quarter. King County retail sales were up 10% over the fourth quarter 1997. In response to increased purchases, developers have completed building over 6 million square feet of retail space region-wide during 1998, with another 1.5 million on the way. Projects completed over the last six months included downtown Seattle's Pacific Place and Nordstrom's Flagship department store. Vacancy rates remain tightened somewhat from the middle of 1998 and range from 2.5% in the downtown Seattle market, 4% in the Bellevue/Eastside market, to 4.9% in the Southend market (South King, Pierce, and Thurston Counties).

Convention Information

The number of Conventions and Events for fourth quarter 1998 was down over 11% from a year earlier, while room nights decreased by almost 2%. Local room tax collections, however, for the third quarter of 1998 were 30% higher than for the third quarter of 1997. (Third Quarter 1998 is the most recent data available for local room tax collections).

Boeing and Airline Industry Data

Boeing employment in Washington state remained steady at around 101,000, the second quarter total of 104,000, was the highest level since 1991. Significant Boeing layoffs are still expected in the future as Boeing streamlines its production process. Boeing plans to layoff as many as 48,000 workers company-wide through 2001. Boeing contractual backlogs declined, ending the quarter at \$112.9 billion. Commercial aircraft orders backlog dropped this quarter (\$86.1 billion). Backlogs for Information, Defense and Space division, made up of elements from the former Boeing Defense & Space Group and McDonnell Douglas Corporation, decreased slightly to a \$26.8 billion total.

U.S. ECONOMIC MEASURES					
	1997	1998			
	IV	I	II	III (r)	IV (p)
Gross Domestic Product	\$8,254.5	\$8,384.2	\$8,440.6	\$8,537.9	\$8,672.8
GDP Growth	\$461.6	\$450.6	\$377.2	\$367.1	\$418.3
Real GDP	\$7,364.6	\$7,464.7	\$7,498.6	\$7,566.5	\$7,670.0
Real GDP Growth	\$347.2	\$363.1	\$262.1	\$255.3	\$305.4
% Real GDP Growth*	4.9%	5.1%	3.6%	3.5%	4.1%
% Real Quarterly GDP Growth**	0.7%	1.4%	0.5%	0.9%	1.4%
% Real GDP Growth Annualized***	3.0%	5.5%	1.8%	3.7%	5.6%
GDP Implicit Price Deflator	112.1	112.3	112.6	112.8	113.1
Consumer Price Index	161.5	161.9	162.8	163.4	164.0

	1997	1998			
INTEREST RATES	IV	I	II	III (r)	IV (p)
1 yr T-Bill	5.19	5.04	5.13	4.84	4.20
3 yr T-Bond	5.78	5.46	5.57	5.11	4.41
10 yr T-Bond	5.91	5.59	5.60	5.20	4.67
30 yr T-Bond	6.14	5.88	5.85	5.47	5.11
Discount Rate	5.00	5.00	5.00	5.00	4.66
Prime Rate	8.50	8.50	8.50	8.50	7.92
New Home Mortgage Yield (Nation)	7.45	7.23	7.17	7.05	6.84
Avg Mortgage Rate (WA State)	7.44	7.17	7.15	6.98	6.81

(r) - Revised. (p) - Preliminary.

Gross Domestic Product: Billions of current dollars.

GDP Growth: Change from same period, one year ago, in billions of current dollars

Real GDP: Gross domestic product in 1992 dollars.

Real GDP Growth: Change in real GDP from one year ago.

* % Real GDP Growth: Percentage growth from same quarter last year.

** % Real Quarterly GDP Growth: Percentage growth from last quarter.

***% Real GDP Growth Annualized: Real growth compounded quarterly to achieve an annual rate. It is not adjusted for seasonal variation.

GDP Price Deflator: 1992 =100.

CPI: 1982-1984=100. Price index covers all urban consumers. These figures are revised.

National Interest Rates: 3 month average of rates.

New Home Mortgage Yield (National): Effective rate (in the primary market) on conventional mortgages, reflecting fees and charges as well as contract rate and assumed, on the average, repayment at end of 10 years.

Average Mortgage Rate: 3 month average of 30 year fixed mortgage rates for Washington State.

SOURCES:

Economic Measures come from the U.S. Bureau of Economic Analysis (BEA) (<http://www.bea.doc.gov/bea/dn/nipbtbl-d.htm>).

National Interest Rates come from the **Federal Reserve Statistical Release** (<http://www.bog.frb.fed.us/releases/H15/>).

New Home Mortgage Yield comes from the Federal Housing Finance Board (<http://www.fhfb.gov/mirs.htm>).

Washington State Average Mortgage Rate comes from **Seattle Times Business section**, Market Trends Research Co.

GENERAL INDICATORS OF ECONOMIC ACTIVITY					
REGION	1997 IV	I	1998 II	III (r)	IV (p)
CPI-U (West)	162.8	163.2	164.0	164.7	165.7
Bankruptcies (King, Pierce, Snohomish, Kitsap)	4,600	4,780	4,628	4,289	4,205
Taxable Retail Sales (King, Pierce, Snohomish, Kitsap)	\$12,003,638,841	\$10,401,965,149	\$11,787,379,947	\$12,542,796,253	
# of businesses reporting	101,547	81,326	83,067	83,188	
LOCAL	1997 IV	I	1998 II	III (r)	IV (p)
CPI (Seattle/Tacoma)	164.1	166.2	166.2	168.5	169.3
TOTAL Shipments					
Air freight (Metric Tons)	71,732	65,725	77,159	74,027	77,698
Water-borne freight (Thousand Metric Tons)					
Air Passengers (Sea-Tac)	5,764,579	5,288,525	6,594,953	7,762,780	6,183,119
New Business Starts (Seattle)	2,215	3,011	1,416	2,125	2,055
Bankruptcies (King Co.)	2,103	2,141	2,004	1,908	1,835
Taxable Retail Sales (Seattle)	\$2,891,911,404	\$2,564,276,476	\$2,822,303,259	\$3,014,355,234	
# of businesses reporting (Seattle)	27,480	22,689	23,075	22,936	
Electrical Energy Usage (1,000's of kilowatts)	2,207,502	2,614,681	2,242,354	2,100,872	2,234,861

CPI –U (West): Covers all urban consumers. 1982-1984 = 100.

New Business Starts consist of the total new business license accounts for the quarter.

SOURCES:

Shipments: Port of Seattle. (Waterborne Freight data for 1997 and 1998 is not yet available.)

Air Passengers: Port of Seattle.

New Business Starts: Seattle Dept. of Licensing. (These figures are revised.)

Bankruptcies: U.S. Bankruptcy Court.

Taxable Retail Sales: *Quarterly Business Review*, Dept. of Revenue, WA State.

Electrical Energy Usage: Seattle City Light. (Third Quarter 1997 totals are a projection based on July and August figures).

CPI: U.S. Department of Labor, Bureau of Labor Statistics. 1982-1984 = 100.

INDUSTRIAL/MANUFACTURING MEASURES

National	1997	1998			
	IV	I	II	III (r)	IV (p)
Producers' Durable Equipment	686.4	738.8	771.3	769.3	806.8
Changes in Non-Farm inventories	62.7	85.9	29.9	47.0	41.7
Manufacturers' New Orders	1,011,860	1,005,590	998,923	1,013,024	1,001,267
Non-defense capital goods orders	156,236	153,240	153,127	159,324	151,111
Industrial production	127.37	127.70	128.23	128.23	132.63
Capacity utilization rates (%)					
Total Industry	83.2	82.5	82.0	81.3	81.0
Manufacturing	82.3	81.5	80.7	80.0	80.1

(r) - Revised. (p) - Preliminary.

Producers' Durable Equipment: Billions of 1992 dollars, seasonally adjusted rates.

Changes in Non-Farm Inventories: Billions of 1992 dollars, seasonally adjusted rates.

Manufacturers' New Orders: Millions of current dollars, seasonally adjusted rates.

Non-Defense Capital Goods Orders: Millions of current dollars, seasonally adjusted rates.

Industrial Production: 1992=100, figures are 3 month average.

Capacity Utilization Rates: These figures have been revised.

SOURCES:

Producers' Durable Equipment and Changes in Non-Farm Inventories: **U.S. Bureau of Economic Analysis** (<http://www.bea.doc.gov/bea/dn/nipbtbl-d.htm>).

Manufacturers' New Orders and Non-Defense Capital Goods Orders: **U.S. Census Bureau** (<http://www.census.gov/indicator/www/table5p.txt>).

Industrial Production and Capacity Utilization Rate: **Federal Reserve Statistical Release** (<http://www.bog.frb.fed.us/releases/g17/Current/>).

EMPLOYMENT					
REGION (King, Kitsap, Pierce, Snohomish and Is	1997 IV	1998			
		I	II	III (r)	IV (p)
Civilian Labor Force	1,786,257	1,801,440	1,796,330	1,807,630	1,838,757
Non-Agricultural Employment					
Total	1,634,367	1,620,333	1,658,933	1,667,933	1,682,817
Construction	84,467	78,867	84,767	91,200	90,217
Retail	284,458	274,590	283,668	290,374	294,780
Wholesale Trade and Utilities	129,685	130,947	133,602	135,386	133,939
Manufacturing	252,467	252,233	254,600	255,800	253,183
Durable goods	196,633	197,287	198,860	199,013	197,120
Non-durable goods	55,833	54,947	55,740	56,787	56,063
Government	256,767	257,067	260,133	247,767	260,600
FIRE	94,700	94,867	96,700	98,067	99,333
Services	466,000	466,633	478,700	480,767	482,367
Non-Agricultural Unemployment (UE)					
Initial UE Claims	31,193	32,875	26,902	29,055	31,193
UE Rate	3.3%	3.4%	3.1%	3.4%	3.4%
Unemployment Beneficiaries	33,548	40,233	35,025	31,711	33,548
Manufacturing	5,163	6,180	5,891	3,755	5,163
Non-Manufacturing	28,385	34,053	29,135	27,956	28,385
LOCAL (King County)	1997 IV	1998			
		I	II	III (r)	IV (p)
Civilian Labor Force	1,020,300	1,024,533	1,024,167	1,030,200	1,047,133
Non-Agricultural Employment					
Total	1,104,267	1,094,365	1,124,611	1,131,348	1,140,150
Construction	53,867	50,101	54,961	58,701	56,763
Retail	181,667	173,526	177,520	181,834	183,360
Wholesale Trade and Utilities	84,333	83,867	86,694	88,219	86,193
Manufacturing	158,367	161,109	160,981	160,374	158,786
Durable goods	120,033	121,836	122,405	122,015	121,168
Non-durable goods	38,333	38,555	37,803	37,973	37,427
Government	147,400	146,461	147,718	140,963	147,933
FIRE	70,667	70,340	71,754	73,703	75,074
Services	338,567	338,356	353,248	355,637	360,941
Non-Agricultural Unemployment (UE)					
Initial UE Claims	14,812	16,139	13,383	14,915	
UE Rate	2.9%	2.9%	2.8%	2.8%	3.0%
Unemployment Beneficiaries	16,771	19,690	17,554	16,408	
Manufacturing	2,579	3,015	2,955	1,896	
Non-Manufacturing	14,192	16,675	14,599	14,512	

"Region" consists of King, Kitsap, Pierce, Snohomish and Island Counties. Island County is included to make unemployment figures consistent with Non-Agricultural Employment.

Civilian Labor Force consists of laborers who live in the region in question. (Residence based).

Non-Agricultural Employment consists of laborers who work in the region in question. (Place of work based).

All figures are averages of monthly figures except Initial UE claims, which is a 3 month sum.

Official King County non-agricultural employment for 1998 is not yet available. These figures are estimates by the Central Puget Sound Economic Development District

SOURCE:

Washington State Labor Area Summaries (Washington State Employment Security).

INCOME MEASURES					
NATION	1997 IV	1998 I	II	III (r)	IV (p)
Per Capita Disposable Personal Income (in 1992 constant \$)	\$19,681	\$19,686	\$19,731	\$19,798	\$19,958
REGION (King, Kitsap, Pierce, Snohomish)	1996 IV	1997 I	II	III (r)	IV (p)
Wages (current dollars, not deflated)					
Agriculture, Forestry, Fishing	\$2,194	\$1,968	\$2,052	\$1,957	\$2,250
Mining	\$3,189	\$3,130	\$3,226	\$3,351	\$3,796
Construction	\$2,891	\$2,735	\$2,799	\$2,900	\$3,135
Manufacturing	\$3,724	\$3,613	\$3,620	\$3,604	\$3,909
Transportation and Public Utilities	\$3,175	\$3,530	\$3,180	\$3,258	\$3,380
Wholesale Trade	\$3,368	\$3,360	\$3,217	\$3,310	\$3,566
Retail Trade	\$1,476	\$1,479	\$1,501	\$1,523	\$1,580
FIRE	\$3,213	\$3,636	\$3,323	\$3,423	\$3,734
Services	\$2,768	\$2,945	\$3,015	\$2,904	\$3,098
Government	\$2,796	\$2,849	\$2,880	\$2,957	\$2,924
Overall Average	\$2,772	\$2,859	\$2,838	\$2,837	\$3,008
LOCAL (King County)	1996 IV	1997 I	II	III (r)	IV (p)
Wages (current dollars, not deflated)					
Agriculture, Forestry, Fishing	\$2,702	\$2,335	\$2,523	\$2,266	\$2,733
Mining	\$3,234	\$3,287	\$3,327	\$3,443	\$4,084
Construction	\$3,082	\$2,949	\$3,005	\$3,077	\$3,357
Manufacturing	\$3,786	\$3,643	\$3,653	\$3,632	\$3,946
Transportation and Public Utilities	\$3,218	\$3,620	\$3,204	\$3,332	\$3,443
Wholesale Trade	\$3,513	\$3,524	\$3,372	\$3,434	\$3,740
Retail Trade	\$1,568	\$1,573	\$1,603	\$1,623	\$1,698
FIRE	\$3,413	\$3,941	\$3,415	\$3,548	\$4,051
Services	\$3,105	\$3,392	\$3,460	\$3,316	\$3,521
Government	\$2,888	\$2,946	\$2,919	\$3,009	\$2,939
Overall Average	\$2,962	\$3,099	\$3,054	\$3,045	\$3,235

Per Capita Disposable Personal Income: Figures are in 1992 dollars and are seasonally adjusted annual rates.

Wages: Average of monthly wages by industry, not occupation, and represents jobs covered by the Washington Employment Security Act. Figures are lagged one year or more due to reporting delay. Figures are not deflated due to difficulty in choosing appropriate deflator.

SOURCES:

Per Capita Disposable Income comes from the **U.S. Bureau of Economic Analysis** (<http://www.bea.doc.gov/bea/nipubl-d.html>).

Wages: **Employment and Payrolls in Washington State by County and Industry** (Washington State Employment Security).

CONSTRUCTION					
	1997	1998			
	IV	I	II	III (r)	IV (p)
Seattle Residential Construction (\$\$ value) 1/	\$70,344,602	\$93,798,117	\$82,410,027	\$120,586,928	\$120,910,231
Seattle Non-Residential Construction (\$\$ value) 2/	\$152,956,672	\$224,956,831	\$171,410,812	\$225,724,409	\$117,619,315
Home Sales (King County)					
# of Sales	5,367	4,668	6,444	6,756	5,590
Median Sales Price	\$196,086	\$202,390	\$211,834	\$217,398	\$218,403
Mean Sales Price	\$236,866	\$245,801	\$258,480	\$265,635	\$265,293
Days on Market	40	41	34	34	37
New Construction Home Sales (King County)					
# of Sales	392	414	495	410	484
Median Sales Price	256,119	233,044	269,798	261,266	277,374
Mean Sales Price	298,507	284,136	310,069	293,199	311,760
Building Permits (Seattle)					
Commercial and Industrial 3/	609	664	767	857	655
Existing Housing Units	498	507	817	797	524
New Residential Permits	151	172	171	151	239
New Residential Units	620	1,041	570	927	1,032
1/ Value consists of total value of permits for residential construction from Seattle DCLU Permit Report					
2/ Value consists of total value of permits for Non-residential construction from Seattle DCLU Permit Report					
3/ Number of commercial and industrial permits is estimated by number of total permits minus residential, schools, churches, and some specific permits.					

Figures represent construction activity for City of Seattle.

Number of commercial and industrial permits is estimated by number of total permits minus residential, schools, churches, and some specific permits.

“Days on Market” for fourth quarter 1997 has been revised.

SOURCES:

City of Seattle Department of Construction and Land Use, **"Issued Permit Data"** (monthly reports). Home sale data comes from the **Northwest Multiple Listing Service**.

OFFICE MARKET

Seattle Overall	1997	1998			
	IV	I	II	III	IV
Total Sq. Feet	36,308,132	36,308,132	36,547,787	36,988,185	37,732,977
# Buildings	441	441	445	450	458
Vacant Sq. Feet	2,176,862	1,977,257	2,051,699	1,989,911	1,633,065
Vacancy Rates	6.0%	5.4%	5.6%	5.4%	4.3%
Project Under Cons (Sq. Ft.)	1,765,118	1,780,275	1,799,555	1,818,754	2,450,015
Absorption (Sq. Ft.)	270,158	331,190	48,257	502,186	939,187

"Seattle Overall" consists of Downtown, Northend, Southend, and Tacoma/Federal Way.

Downtown Seattle	1997	1998			
	IV	I	II	III	IV
Total Sq. Feet	26,795,769	26,795,769	26,884,969	27,221,087	27,657,881
# Buildings	209	209	211	214	217
Vacant Sq. Feet	1,356,028	1,283,742	1,273,111	1,357,797	1,045,827
Vacancy Rates	5.1%	4.8%	4.7%	5.0%	3.8%
Project Under Cons (Sq. Ft.)	1,765,118	1,780,275	1,780,275	1,778,754	2,410,015
Absorption (Sq. Ft.)	157,548	203,871	-29,012	251,432	636,653
Class A					
Median Lease Rate/sf	\$24.50	\$24.50	\$27.00	\$27.00	\$27.00
Vacancy Rate	2.5%	2.3%	3.2%	3.8%	3.4%
Class B					
Median Lease Rate/sf	\$17.00	\$19.50	\$20.00	\$20.00	\$20.00
Vacancy Rate	11.0%	10.6%	6.5%	5.9%	5.8%
Class C					
Vacancy Rate	11.3%	11.2%	12.8%	9.5%	2.1%

"Downtown Seattle" consists of the Canal, CBD, Denny Regrade, Lake Union, Lower Queen Anne, Pioneer Square and Waterfront.

North King County	1997	1998			
	IV	I	II	III	IV
Total Sq. Feet	1,050,559	1,050,559	1,050,559	1,135,559	1,135,559
# Buildings	23	23	23	24	24
Vacant Sq. Feet	52,157	58,842	44,646	32,934	12,480
Vacancy Rates	5.0%	5.6%	4.2%	2.9%	1.1%
Project Under Cons (Sq. Ft.)	0	0	0	0	0
Absorption (Sq. Ft.)	-358	-6,685	14,196	96,712	20,454
Class A					
Median Lease Rate/sf	\$19.50	\$19.50	\$19.50	\$19.50	\$19.50
Vacancy Rate	4.7%	5.1%	3.7%	2.5%	1.2%
Class B					
Median Lease Rate/sf	\$18.50	\$18.00	\$18.50	\$18.50	\$18.50
Vacancy Rate	7.0%	8.0%	6.9%	4.8%	0.4%

"North King County" consists of area north of the Ship Canal up to the King County line.

The **Absorption Rate** is the change in amount of leased space. A negative figure means more space came onto the market than was absorbed by new leases. Absorption is calculated by CB Commercial on a building by building basis.

SOURCE: CB Commercial Quarterly Market Report, a publication of Coldwell Bankers commercial division.

OFFICE MARKET					
South King County	1997 IV	1998			
		I	II	III	IV
Total Sq. Feet	5,073,840	5,073,840	5,224,295	5,243,575	5,450,136
# Buildings	121	121	123	124	127
Vacant Sq. Feet	550,196	437,079	503,688	407,804	373,195
Vacancy Rates	10.8%	8.6%	9.6%	7.8%	6.8%
Project Under Cons (Sq. Ft.)	0	0	19,280	40,000	40,000
Absorption (Sq. Ft.)	99,146	113,117	74,846	115,164	195,830
Class A					
Median Lease Rate/sf	\$17.50	\$17.50	\$18.00	\$18.00	\$18.00
Vacancy Rate	10.9%	6.5%	5.5%	4.2%	3.9%
Class B					
Median Lease Rate/sf	\$15.00	\$15.50	\$15.50	\$15.50	\$15.50
Vacancy Rate	9.7%	10.9%	17.4%	13.8%	13.7%
"South King County" consists of area south of the Kingdome to the King County line, excluding Federal Way.					
Bellevue/Eastside	1997 IV	1998			
		I	II	III	IV
Total Sq. Feet	15,379,483	15,379,483	15,610,111	15,828,081	17,776,366
# Buildings	282	282	288	292	315
Vacant Sq. Feet	356,282	256,527	191,736	282,737	299,097
Vacancy Rates	2.3%	1.7%	1.2%	1.8%	1.7%
Project Under Cons (Sq. Ft.)	1,189,584	1,178,297	1,924,072	3,321,828	2,495,379
Absorption (Sq. Ft.)	68,043	48,458	266,514	126,971	1,221,540
Class A					
Median Lease Rate/sf	\$25.00	\$26.00	\$26.00	\$24.50	\$26.00
Vacancy Rate	1.9%	1.4%	1.1%	1.6%	1.9%
Class B					
Median Lease Rate/sf	\$24.00	\$24.50	\$24.50	\$21.50	\$24.50
Vacancy Rate	2.8%	1.8%	2.0%	1.4%	1.2%
Class C					
Median Lease Rate/sf	\$16.50	\$17.00	\$17.50	\$17.50	\$17.50
Vacancy Rate	4.3%	4.4%	4.2%	2.3%	1.0%
"Bellevue/Eastside" consists of the East side of Lake Washington, from Bothell on the King/Snohomish County line to Renton City Limits.					

The **Absorption Rate** is the change in amount of leased space. A negative figure means more space came onto the market than was absorbed by new leases.

SOURCE: CB Commercial Quarterly Market Report, a publication of Coldwell Bankers commercial division.

INDUSTRIAL MARKET

Seattle Close-In	1997 IV	1998 I	II	III	IV
Total Square Footage					
Industrial	66,305,124	66,602,632	72,831,223	72,960,927	73,125,303
High-Tech	1,220,412	1,220,412	1,220,412	1,220,412	1,220,412
Total	67,525,536	67,823,044	74,051,635	74,181,339	74,345,715
Vacancy					
Industrial	3.1%	2.7%	2.3%	1.8%	1.6%
High-Tech	6.9%	2.6%	1.6%	3.6%	3.6%
Total Vacant Sq. Ft.					
Industrial	2,167,185	1,847,472	1,717,923	1,377,065	1,235,389
High-Tech	83,689	31,889	19,930	43,447	43,447
Lease Rates					
Older Buildings	\$.25-.38/sf shell + \$.55-.60/sf office	\$.25-.38/sf shell + \$.55-.65/sf office	\$.25-.38/sf shell + \$.55-.65/sf office	\$.25-.38/sf shell + \$.55-.65/sf office	\$.25-.38/sf shell + \$.55-.65/sf office
Newer Buildings	\$.38-.40/sf shell + \$.60-.65/sf office	\$.38-.42/sf shell + \$.60-.65/sf office	\$.38-.42/sf shell + \$.60-.65/sf office	\$.38-.42/sf shell + \$.60-.65/sf office	\$.38-.42/sf shell + \$.60-.65/sf office
NNN Expenses	\$.05-.16/sf per month	\$.05-.16/sf per month	\$.05-.16/sf per month	\$.05-.16/sf per month	\$.05-.16/sf per month
High-Tech	\$.65-1.00/sf per month	\$.65-1.00/sf per month	\$.65-1.00/sf per month	\$.65-1.00/sf per month	\$.65-1.00/sf per month
Absorption (sf) 2/	-367,724	580,333	171,851	346,174	306,690

"Seattle Close-In" stretches from the King/Snohomish line south to Tukwila.

Absorption is for the quarter.

The sudden jump in total industrial square footage within the Seattle Close-In market, during the second quarter of 1998, reflects a redefinition of the market area, (the inclusion of additional existing buildings previously uncounted) and is not attributable to a flood of new construction.

SOURCE: CB Commercial Quarterly Market Report, a publication of Coldwell Bankers commercial division.

INDUSTRIAL MARKET					
Kent Valley Market	1997 IV	1998 I	II	III	IV
Total Square Footage					
Industrial	80,491,527	81,567,281	82,409,970	82,711,085	83,077,212
High-Tech	1,834,164	1,834,164	1,834,164	1,834,164	1,834,164
Total	82,325,691	83,401,445	84,244,134	84,545,249	84,911,376
Vacancy					
Industrial	5.4%	5.7%	6.4%	5.7%	5.7%
High-Tech	8.6%	7.1%	14.8%	13.7%	15.0%
Total Vacant Sq. Ft.					
Industrial	4,541,449	4,759,999	5,518,471	4,997,366	5,027,325
High-Tech	4,382,912	4,629,971	5,247,863	4,745,727	4,752,017
	158,537	130,028	270,608	251,639	275,308
Lease Rates					
Older Buildings	\$.28-.30/sf shell + \$.50-.55/sf office	\$.28-.30/sf shell + \$.50-.55/sf office	\$.28-.30/sf shell + \$.50-.55/sf office	\$.28-.30/sf shell + \$.50-.55/sf office	\$.28-.32/sf shell + \$.50-.60/sf office
New Buildings	\$.30-.32/sf shell + \$.55-.60/sf office	\$.30-.32/sf shell + \$.55-.60/sf office	\$.30-.34/sf shell + \$.55-.65/sf office	\$.30-.34/sf shell + \$.55-.65/sf office	\$.32-.37/sf shell + \$.60-.65/sf office
NNN expenses	\$.07-.12/sf per month	\$.07-.12/sf per month	\$.07-.12/sf per month	\$.07-.12/sf per month	\$.07-.12/sf per month
High-Tech	\$0.75-1.15/sf	\$0.75-1.15/sf	\$0.75-1.15/sf	\$0.75-1.15/sf	\$0.75-1.15/sf
Absorption (sf)	420,037	354,098	84,217	842,220	54,493
"Kent Valley" is defined as Tukwila, Renton, Kent, Auburn and Sea-Tac.					

SOURCE: CB Commercial Quarterly Market Report, a publication of Coldwell Bankers commercial division.

INDUSTRIAL MARKET					
Eastside Market	1997 IV	1998 I	II	III	IV
Total Square Footage	19,604,686	20,371,053	21,240,529	20,761,288	19,874,821
Industrial	15,317,241	15,452,871	16,053,697	15,607,674	15,412,893
High-Tech	4,287,445	4,918,182	5,186,832	5,153,614	4,461,928
Vacancy					
Industrial	4.4%	4.5%	4.8%	4.3%	3.7%
High-Tech	3.8%	3.8%	5.4%	5.2%	2.5%
Total Vacant Sq. Ft.	838,862	890,065	1,041,197	933,203	683,610
Industrial	676,191	702,674	762,854	665,657	570,277
High-Tech	162,671	187,391	278,343	267,546	113,333
Lease Rates					
Older Buildings	\$.38-.45/sf shell + \$.75-.95/sf office	\$.40-.60/sf shell + \$.95-1.10/sf office	\$.45-.55/sf shell + \$.95-1.10/sf office	\$.45-.55/sf shell + \$.95-1.10/sf office	\$.45-.55/sf shell + \$.95-1.10/sf office
New Buildings	\$.42-.60/sf shell + \$.85-1.05/sf office	\$.45-.65/sf shell + \$.90-1.25/sf office	\$.45-.65/sf shell + \$.95-1.25/sf office	\$.55-.65/sf shell + \$1.10-1.30/sf office	\$.55-.65/sf shell + \$1.10-1.30/sf office
NNN expenses	\$.06-.26/sf per month	\$.11-.31/sf per month	\$.11-.31/sf per month	\$.11-.31/sf per month	\$.11-.31/sf per month
Absorption (sf)	129,606	21,750	729,669	-371,247	288,104
<p>"Eastside Market" consists of the East side of Lake Washington, King/Snohomish County Line south to Renton City Limits.</p> <p>Eleven buildings were removed from the eastside inventory because they were too small, converted to owner-user status, or failed to meet other criteria. This accounts for the drop in total square footage and also influences the measure of absorption.</p> <p>Actual absorption in the eastside market this quarter is estimated by CB Richard Ellis to be 231,280 square feet.</p>					

SOURCE: CB Commercial Quarterly Market Report, a publication of Coldwell Bankers commercial division.

RETAIL

Puget Sound Area	Second Half	1997		1998	
		First Half	Second Half	First Half	Second Half
Total Rentable Sq. Footage	55,721,440	57,680,961	60,439,311	62,536,242	59,030,357
Total Vacant	3,093,269	3,692,585	3,727,557	4,195,059	2,613,436
Vacancy Rates	5.6%	6.4%	6.2%	6.7%	4.4%
Absorption (sf)	416,762	1,360,265	2,826,650	1,629,429	6,442,336

Puget Sound consists of the downtown Seattle, Northend, Southend, Eastside, and Kitsap Markets.

Downtown Seattle	1996 Second Half	1997		1998	
		First Half	Second Half	First Half	Second Half
Total Rentable Sq. Ft.	3,516,735	3,627,914	3,627,914	3,686,414	4,558,469
Total Vacant	33,571	81,969	92,708	101,172	114,678
Vacancy Rates	1.0%	2.3%	2.6%	2.7%	2.5%
Rental Rates	\$21.45	\$22.78	\$27.03	\$26.60	\$25.16
Absorption (sf)	234,521	62,781	-10,739	50,036	847,549

The Ship Canal south to the West Seattle Bridge including the Central Business District, Denny Regrade, Lower Queen Anne, Pioneer Square, West Lake Union, Capitol Hill and the Central District.

Northend	1996 Second Half	1997		1998	
		First Half	Second Half	First Half	Second Half
Total Rentable Sq. Ft.	14,044,655	14,419,662	15,317,492	15,513,322	15,152,425
Total Vacant	730,790	782,182	711,080	849,089	678,490
Vacancy Rates	5.2%	5.4%	4.6%	5.5%	4.5%
Rental Rates	\$13.59	\$13.03	\$14.81	\$11.96	\$13.15
Absorption (sf)	87,567	323,675	1,085,416	57,821	747,419

Northend is defined as North Seattle from Ship Canal up through Snohomish and Northern Counties.

Southend	1996 Second Half	1997		1998	
		First Half	Second Half	First Half	Second Half
Total Rentable Sq. Ft.	25,869,468	26,721,964	27,540,484	28,285,213	27,509,392
Total Vacant	1,835,940	1,968,671	2,032,407	2,139,346	1,344,928
Vacancy Rates	7.1%	7.4%	7.4%	7.6%	4.9%
Rental Rates	\$13.59	\$12.29	\$10.61	\$11.78	\$14.65
Absorption (sf)	24,949	719,765	754,784	637,790	2,424,513

"Southend" is South Seattle through Pierce and Thurston Counties.

Previous to 1Q/95, Southend was defined as the area south of the Kingdome to the King/Pierce County line.

Bellevue/Eastside	1996 Second Half	1997		1998	
		First Half	Second Half	First Half	Second Half
Total Rentable Sq. Ft.	9,618,294	9,861,030	10,529,030	11,626,902	11,810,071
Total Vacant	345,609	476,879	515,084	696,958	475,340
Vacancy Rates	3.6%	4.8%	4.9%	6.0%	4.0%
Rental Rates	\$15.68	\$14.72	\$22.55	\$15.24	\$17.32
Absorption (sf)	73,681	111,466	629,795	915,998	761,210

All of King County east of Lake Washington, including Bellevue, Kirkland, Redmond, Issaquah, Bothell and Mercer Island.

SOURCE: CB Commercial *Quarterly Market Report*, a publication of Coldwell Bankers commercial division.

Apartment Vacancy Rates

	1996		1997		1998
	First Half	Second Half	First Half	Second Half	First Half
Seattle/North King	2.7%	1.2%	1.3%	1.2%	1.7%
Capitol Hill/Eastlake	1.1%	0.9%	1.9%	1.9%	1.4%
Central District	1.7%	1.0%	1.7%	0.5%	NA
Downtown/First Hill	2.6%	1.6%	0.8%	0.8%	1.7%
Magnolia/Queen Anne	2.4%	0.4%	1.3%	1.2%	1.8%
North Seattle	3.2%	0.0%	1.5%	1.2%	1.2%
Sandpoint	1.0%	0.0%	0.0%	0.0%	0.5%
South Seattle	2.1%	1.0%	1.1%	NA	1.0%
University District	4.7%	3.7%	0.8%	1.0%	0.5%
West Seattle	3.1%	1.6%	1.7%	1.1%	0.6%
South King County	5.0%	3.0%	1.9%	1.7%	1.8%
Auburn	5.1%	5.4%	2.3%	1.1%	2.4%
Burien/Des Moines	5.8%	3.2%	2.0%	1.2%	1.6%
Federal Way	4.9%	3.5%	2.0%	1.9%	2.0%
Kent	5.0%	3.2%	1.6%	1.7%	2.2%
Renton	3.3%	1.5%	1.9%	1.9%	1.4%
Sea-Tac/Tukwila	5.8%	2.7%	1.8%	1.8%	1.4%
East King County	2.1%	1.0%	1.1%	1.4%	1.7%
Bellevue	2.1%	0.8%	0.9%	1.0%	1.4%
Bothell/Woodinville	3.0%	0.5%	1.8%	1.6%	3.2%
Issaquah/North Bend	2.0%	2.2%	1.0%	1.8%	1.5%
Kirkland	1.3%	1.3%	1.2%	1.7%	1.9%
Redmond	2.9%	1.2%	0.8%	1.7%	1.0%
Snohomish County	4.2%	1.2%	1.4%	1.1%	1.8%
Edmonds	3.9%	1.0%	1.4%	0.7%	0.9%
Everett	5.1%	1.9%	1.7%	1.1%	1.8%
Lynnwood	3.4%	1.3%	1.0%	1.0%	2.4%
Marysville	1.6%	0.0%	2.1%	1.7%	0.0%
Mountlake Terrace	3.7%	0.3%	0.8%	0.8%	1.8%
Pierce County	6.3%	6.0%	4.8%	4.5%	3.3%
Fircrest	4.8%	4.7%	4.2%	6.2%	3.2%
Gig Harbor	2.4%	4.2%	6.4%	3.6%	5.1%
Lakewood	7.7%	6.9%	6.1%	5.3%	3.6%
Puyallup	8.7%	4.9%	3.0%	3.7%	1.4%
Tacoma	5.6%	6.4%	5.0%	4.5%	2.3%

Source: CB Commercial Market Report

CONVENTION INFORMATION					
KING COUNTY	1997	1998			
	IV	I	II	III (r)	IV (p)
# Conventions/Events	150	120	139	138	133
# Room Nights	125,248	155,537	146,025	175,123	123,023
Local Room Tax	\$2,465,227	\$2,547,120	\$3,093,573	\$3,294,657	
Room Nights per Event	835	1,296	1,051	1,269	925

(p) - Preliminary.

(r) - Revised.

The figures for # events and # room nights are for all events booked at the convention center and area hotels, not just conventions.

"Local Room Tax" shows Washington state Hotel/Motel Tax Distributions to King County. This is used to estimate delegate expenses. Figures have been revised to show when room tax was collected, not distributed, since distribution happens two months after collection. For example, Hotel/Motel distributions for June reflect collections made in April. Second Quarter 1997 includes taxes collected in April, May and June, and distributed in June, July and August.

The tax totals do not include an extra Hotel/Motel Tax collected in Bellevue. Local room tax figures for 2Q/98 are not yet available.

SOURCES:

Seattle-King County Convention and Visitors Bureau (# Conventions/Events and # Room Nights).

Washington Department of Revenue (Hotel/Motel Tax Distribution to King County).

Seattle-King County Dislocation Activity - 2Q/98

Company	Location	Workers	No.
Westin Hotels	Seattle	Office, Financial, Legal, Administration	145
Aetna US Healthcare	Seattle	Customer Service/Claims Admin.	127
PacMed	King County	Maintenance, Nursing, Business Office	88
Data I/O Corp.	Redmond	Information Technology/Office	80
Peter Pan Seafoods	Pacific	Food Processing	58
Acme Poultry	Renton	Production	56
AirTouch Cellular	Bellevue	Operations/Engineering	50
Zetec	Issaquah	Production	30
Puget Sound Freight Lines	Seattle	Marine Engineers, Mates, Deckhands	27
Pepsi Cola Co.	Seattle	Financial/Accounting	25
CellPro	Bothell	Biotechnology	20
KCTS 9	Seattle	TV Broadcasting	18
Foss Marine	Seattle	Marine Cooks	12
<hr/>			
1998 2nd Quarter Totals	13 Companies	736 Dislocated Workers	
1997 2nd Quarter Totals	11 Companies	881 Dislocated Workers	
1997 Totals	46 Companies	3,848 Dislocated Workers	

Seattle-King County Dislocation Activity - 3Q/98

Company	Location	Workers	No.
Boeing Co.	King, Pierce, Snohomish	All Job Classifications	528
Kao Infosystems	Bothell	Software Packaging/Shipping	330
Providence Health Plans	Seattle	Customer Service/Claims Admin.	170
Fort James Manufacturing	Redmond	Manufacturing	145
Guidant Corporation	Redmond	Engineers/High Tech. Production	102
Superior Technical Resources	King County	Boeing Contract Engineers/Technicians	60
Hexcel	Kent	Manufacturing	40
Motorola	Bothell	Production	15
Suana Tech	Bellevue	Manufacturing	15
Seafab Metals Co.	Seattle	Manufacturing	7
<hr/>			
1998 3rd Quarter Totals	10 Companies	1,412 Dislocated Workers	
1997 3rd Quarter Totals	7 Companies	295 Dislocated Workers	
1997 Totals	46 Companies	3,848 Dislocated Workers	

Job Dislocation Reports for fourth quarter 1998 were unavailable at time of printing.

Source: King County Reemployment Support Center.

Boeing and Airline Industry Data

Boeing Employees in Washington State					
	4Q/97	1Q/98	2Q/98	3Q/98	4Q/98
Employees	103,400	103,500	104,000	101,400	101,000

Year	Employees
1998	101,000
1997	103,400
1996	87,769
1995	71,834
1994	81,964
1993	88,890
1992	98,603
1991	104,700
1990	104,515
1989	106,670

Source: **The Boeing Company.**

Please note that for yearly totals, data reflects number of Boeing employees in Washington State at the end of the year. For quarterly totals, data reflects number at the end of the quarter.

Boeing Contractual Backlogs					
(revised - in billions)					
Contractual backlog:	12/31/97	3/31/98	6/30/98	9/30/98	12/30/98
Commercial aircraft	93.8	92.4	91.8	92.9	86.1
Info., Defense & Space	27.8	28.5	30	27.6	26.8
Total	121.6	120.9	121.8	120.5	112.9

Source: **The Boeing Company** (<http://www.boeing.com/news/>). March 1997 is a projection based on pre-merger data.

U.S. Airlines -- Net Profits					
(in thousands)					
1992	1993	1994	1995	1996	1997
(4,791,284)	(2,135,626)	(344,115)	2,313,591	2,824,328	5,194,740

Source: **Air Transport Association** (<http://www.air-transport.org/data/earnings.htm>).

Taxable Retail Sales – King County

Industry	SIC	King County		Seattle	
		Retail Sales 3Q/98	% Change 3Q/97 3Q/98	Retail Sales 3Q/98	% Change 3Q/97 3Q/98
Total		\$8,304,280,589	10.4%	\$3,014,355,234	10.6%
Contracting	15-17	\$1,365,461,817	29.2%	\$499,470,789	30.3%
Manufacturing	20-39	\$235,686,428	6.3%	\$94,049,603	7.9%
Transportation/Comm/Utilities	41-49	\$399,048,667	1.7%	\$189,714,884	2.5%
Wholesaling	50-51	\$1,107,091,705	4.9%	\$388,266,250	7.1%
Retail Trade	52-59	\$3,755,234,874	7.4%	\$1,237,592,854	5.9%
Building Materials/Hardware	52	\$255,482,202	12.3%	\$72,748,240	15.0%
Lumber/Bldg Material	521-522	\$128,942,170	16.1%	\$36,815,818	22.4%
Paint, Glass, Wallpaper	523	\$16,078,614	5.8%	\$6,508,134	7.1%
Hardware Stores	525	\$92,139,192	9.5%	\$27,243,102	8.1%
Nurseries/Garden Supplies	526	\$16,170,675	10.4%	\$2,181,186	13.5%
Mobile Home Dealers	527	\$2,151,551	-15.1%		
General Merchandise	53	\$442,537,255	6.3%	\$96,510,481	1.8%
Department Stores	531	\$262,531,309	3.8%	\$71,195,296	1.1%
Variety Stores	533	\$149,745,979	9.3%	\$19,699,559	4.3%
Other General Merchandise		\$30,259,967	15.8%	\$5,615,626	2.2%
Food	54	\$359,629,879	6.5%	\$115,353,740	3.5%
Grocery Stores	541	\$341,709,140	7.5%	\$107,441,687	5.4%
Fruit/Vegetable/Meat	542-543	\$2,597,783	25.3%	\$988,682	32.3%
Candy/Nut/Confectionery	544	\$801,026	-24.4%	\$478,523	-15.2%
Dairy Products	545	\$682,874	67.5%	\$220,403	-7.6%
Bakeries	546	\$4,060,686	-14.9%	\$2,633,068	-3.5%
Other Food Stores		\$9,778,370	-16.4%	\$3,591,377	-31.5%
Auto Dealers/Gas Stations	55	\$817,596,653	10.1%	\$218,536,690	9.8%
Auto Dealers (New/Used)	551-552	\$656,263,094	9.7%	\$151,498,052	8.4%
Accessory Dealers	553	\$61,888,790	6.8%	\$21,007,814	12.0%
Service Stations	554	\$35,204,292	9.2%	\$9,800,219	5.5%
Marine/Aircraft, etc		\$64,240,477	18.4%	\$36,230,605	15.7%
Apparel/Accessories	56	\$255,263,065	3.0%	\$100,648,090	6.0%
Clothing	561-565	\$211,134,370	3.9%	\$86,350,304	10.1%
Shoes	566	\$21,527,652	2.1%	\$6,896,959	6.2%
Other Accessories		\$22,601,043	-4.5%	\$7,400,827	-26.3%
Furniture/Furnishings/Equipm	57	\$456,840,525	7.9%	\$117,671,124	2.7%
Furniture	571	\$154,696,134	17.3%	\$42,981,514	21.8%
Appliances	572	\$40,710,422	8.1%	\$7,365,332	4.0%
Electronics/Music Stores	573	\$261,433,969	3.0%	\$67,324,278	-6.8%
Eating/Drinking Places	58	\$579,393,894	6.6%	\$277,742,493	6.3%
Miscellaneous Retail Stores	59	\$588,491,401	5.6%	\$238,381,996	3.8%
Drug Stores	591	\$73,814,935	0.4%	\$27,123,004	3.3%
Miscellaneous Retail Stores	594	\$257,718,535	1.6%	\$105,950,307	-0.3%
Nonstore Retailers	596	\$59,935,523	9.6%	\$20,889,608	1.6%
Fuel/Ice	598	\$18,444,161	38.3%	\$6,179,346	12.2%
Other Retail Stores		\$178,578,247	10.1%	\$78,239,731	10.1%
Finance/Insurance/Real Estat	60-67	\$124,226,095	12.2%	\$50,002,029	6.6%
Services	70-88	\$1,243,604,786	11.0%	\$533,000,942	13.0%
Hotels/Motels etc.	70	\$213,339,577	4.0%	\$105,598,948	7.3%
Personal Services	72	\$50,756,107	-0.1%	\$22,092,075	0.4%
Business Services	73	\$441,316,018	20.7%	\$205,601,683	23.1%
Computer Services	737	\$100,096,571	32.5%	\$48,356,694	65.6%
Automotive Repair/Services	75	\$309,679,668	6.5%	\$94,656,271	5.8%
Other Services		\$228,513,416	10.1%	\$105,051,965	10.6%

Source: *Quarterly Economic Measures*, Washington State Department of Revenue.

Sources for Quarterly Economic Measures

AIR TRANSPORT ASSOCIATION is the source for airline industry profits. Their World Wide Web address is <http://www.air-transport.org/>.

BOEING is the source for Boeing employment and for their backlog of airplane orders. Their World Wide Web address is <http://www.boeing.com/>.

CB COMMERCIAL QUARTERLY MARKET REPORT is a quarterly publication of Coldwell Bankers' commercial division. It contains data on industrial, commercial, retail and apartment properties.

CITY OF SEATTLE DEPARTMENT OF CONSTRUCTION AND LAND USE sends out an "Issued Permit Data" report every month. It contains the number of permits issued and the value of permitted construction.

EMPLOYMENT AND PAYROLLS IN WASHINGTON STATE BY COUNTY AND INDUSTRY is published by Washington State Employment Security. It contains wages paid and employment levels for industries by county. It has a lag of about one year.

FEDERAL HOUSING FINANCE BOARD is the source for the national new home mortgage yield. Their web address is <http://www.fhfb.gov/mirs.htm>.

FEDERAL RESERVE is the source for the bulk of national interest rates, as well as industrial production and capacity utilization figures. Their World Wide Web address is <http://www.bog.frb.fed.us/releases/H15/>.

KING COUNTY REEMPLOYMENT SUPPORT CENTER is a core program of the Worker Center and is the source for worker layoff data.

PORT OF SEATTLE is the source for air and waterborne freight shipment data, as well as passenger traffic.

QUARTERLY BUSINESS REVIEW is published quarterly by the Washington State Dept. of Revenue. It lists the amount of taxable retail sales by industry by county. The data has a lag of around six months.

SEATTLE CITY LIGHT tabulates electrical sales in a monthly revenue report.

SEATTLE DEPARTMENT OF REVENUE is the source for new business starts. It is measured by the number of business licenses issued.

SEATTLE-KING COUNTY CONVENTION AND VISITORS BUREAU is the source for the bulk of convention information. The exception is for local room tax, which comes from the Washington Dept. of Revenue.

SEATTLE TIMES BUSINESS SECTION (from MARKET TRENDS RESEARCH CO.) publishes a table of local interest rates every Monday called "Money/Database."

U.S. BANKRUPTCY COURT tracks the number and type of bankruptcies and tabulates them monthly.

U.S. BUREAU OF ECONOMIC ANALYSIS is the source for many of the national economic measures. Their web site is <http://www.bea.doc.gov>.

U.S. CENSUS BUREAU is the source for manufacturers' new orders and non-defense capital goods orders. Their web site is <http://www.census.gov/indicator/www/table5p.txt>.

WASHINGTON DEPT. OF REVENUE publishes *Local Tax Distributions* every two months. This is the source for local room tax.

WASHINGTON STATE LABOR AREA SUMMARIES is published monthly by Washington State Employment Security. It contains both labor statistics and price index data. It has a lag of one to two months.